

Third Quarter Financial Results Fiscal Year 2008 (Ending March 31, 2009)

February 25, 2009

SEIKO EPSON CORPORATION

■ Disclaimer regarding forward-looking statements

The foregoing statements regarding future results reflect the Company's expectations based on information available at the time of announcement. The information contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, the competitive environment, market trends, general economic conditions, technological changes, exchange rate fluctuations and our ability to continue to timely introduce new products and services.

■ Numerical values presented herein

Numbers are rounded to the unit indicated.

Percentages are rounded off to one decimal place.

■ External business environment

- Worsening market environment since announcement of financial results outlook on October 29 due to severe economic slowdown
- Weakened investment from enterprises followed by decline in personal spending
- Deepening global recession as economic slowdown spreads to emerging markets

■ Situation in main businesses

Further decline in sales to enterprises, and growing impact of recession on all businesses including consumer products, electronic devices, etc.

Information equipment

- Fight to expand market share by leveraging competitive new consumer inkjet printers, despite market contraction
- Weak sales of business-oriented printers and slowing growth in projector sales as recession hits investment from enterprises

Electronic devices

- Recession causing reduced demand in mobile phone and household appliances markets, with falling sales volumes and declining utilization rates leading to worsening profitability in display, quartz device and semiconductor businesses

- 1) FY2008 3Q Financial Results
- 2) FY2008 Revised Financial Results Outlook (January 30)

Financial Highlights (Through Third Quarter)

▶ Versus the year-ago period

Thru Q3

(Billions of yen)	FY2007		FY2008		Change	
	First 9 Months	%	First 9 Months	%	Amount	%
Net sales	1,037.2	-	906.3	-	-130.9	-12.6%
Operating income	55.7	5.4%	32.7	3.6%	-23.0	-41.3%
Ordinary income	60.2	5.8%	37.5	4.1%	-22.7	-37.7%
Net income before income taxes	54.7	5.3%	19.7	2.2%	-35.0	-63.9%
Net income	22.2	2.1%	11.8	1.3%	-10.3	-46.5%
EPS	¥113.24		¥60.55			
Exchange rate	USD	¥117.28	¥102.84			
	EUR	¥162.82	¥150.70			

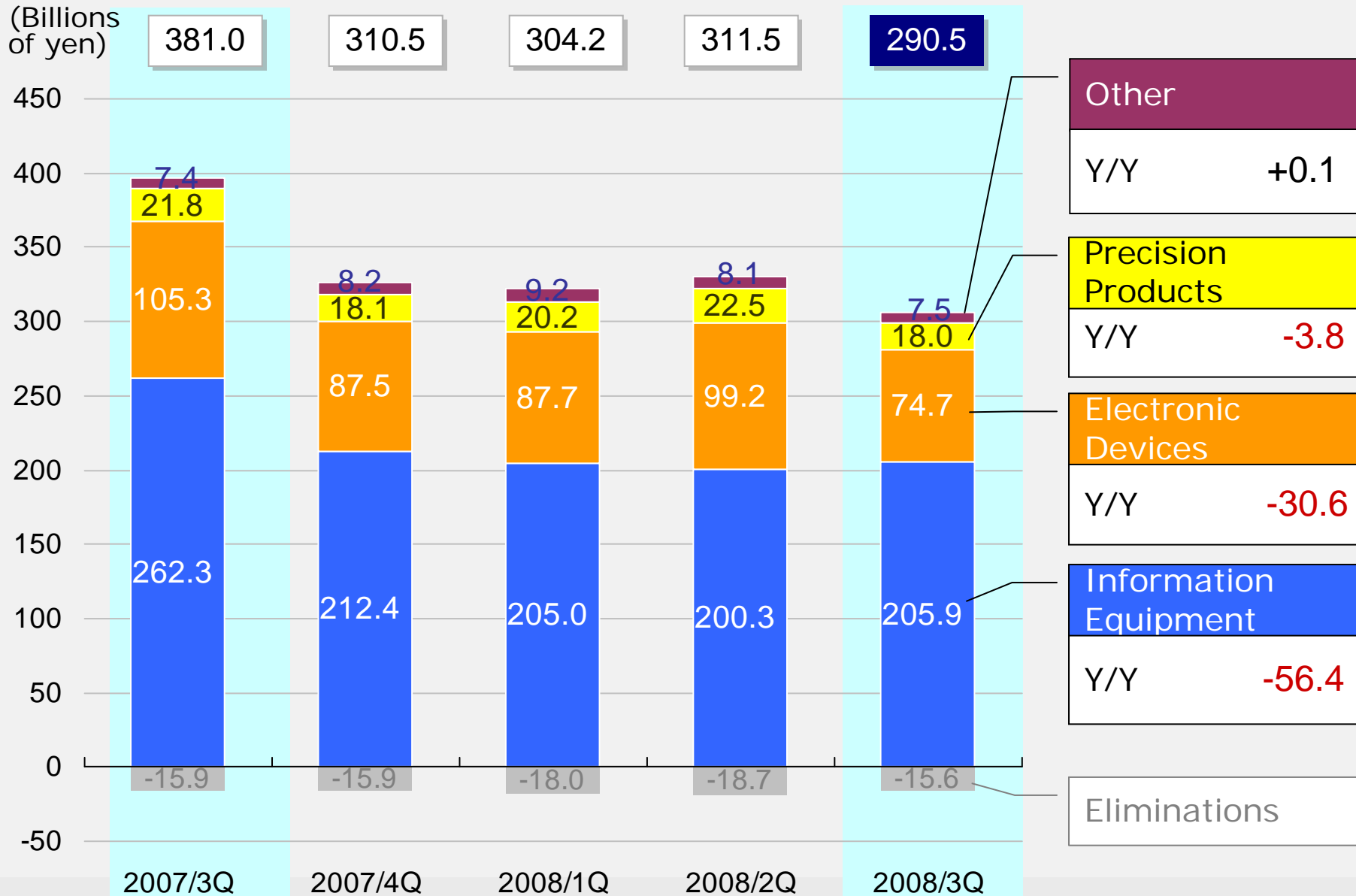
Third-Quarter Financial Highlights

► Versus the year-ago period

(Billions of yen)	FY2007		FY2008		Change	
	3Q Actual	%	3Q Actual	%	Amount	%
Net sales	381.0	-	290.5	-	-90.4	-23.7%
Operating income	33.4	8.8%	4.6	1.6%	-28.7	-86.0%
Ordinary income	34.4	9.0%	10.0	3.5%	-24.3	-70.8%
Net income before income taxes	32.6	8.6%	-0.6	-0.2%	-33.2	-
Net income	18.9	5.0%	0.1	0.1%	-18.8	-99.1%
EPS	¥96.65		¥0.86			
Exchange rate	USD	¥113.19	¥96.32			
	EUR	¥163.87	¥126.74			

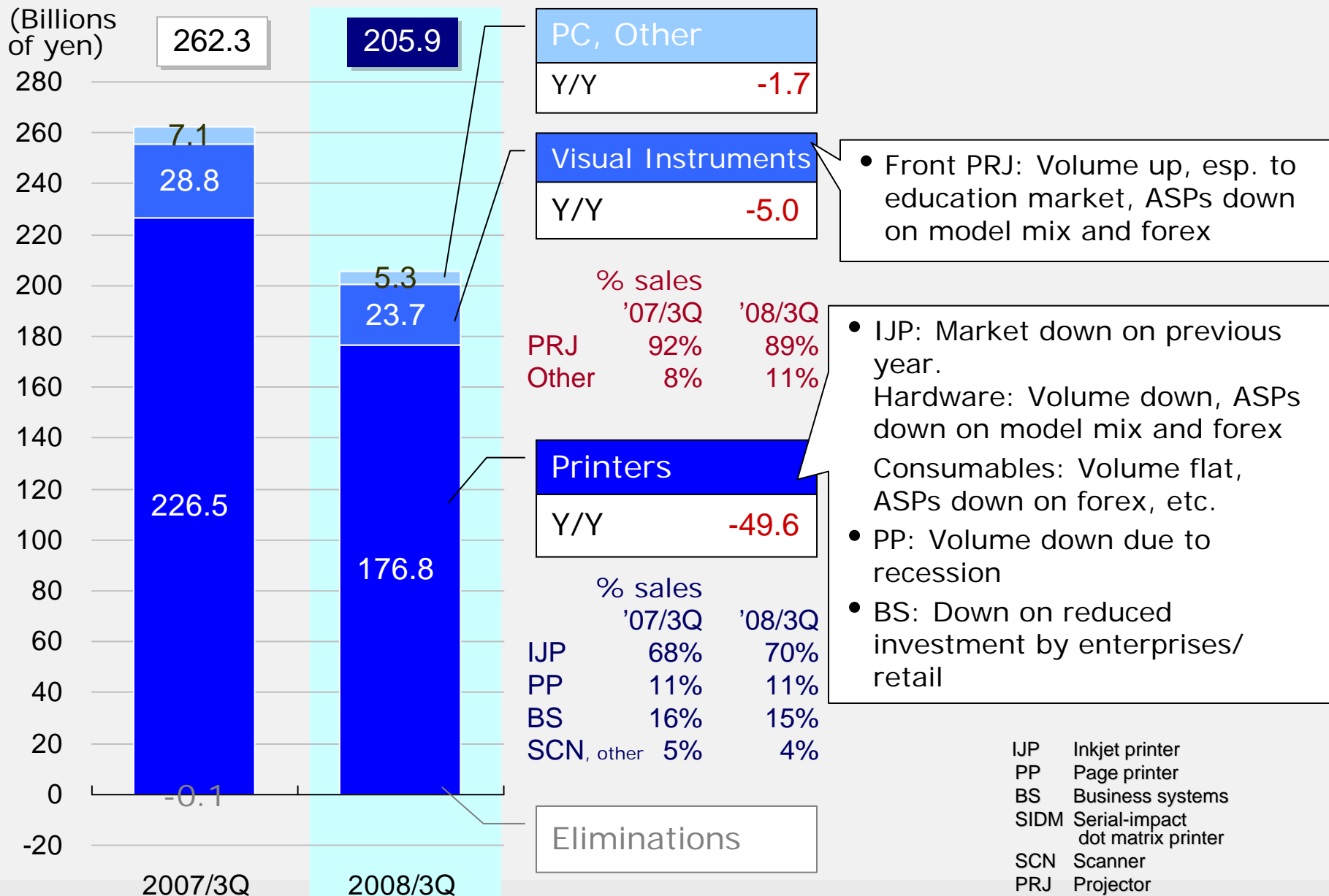
Quarterly Net Sales

► By business segment



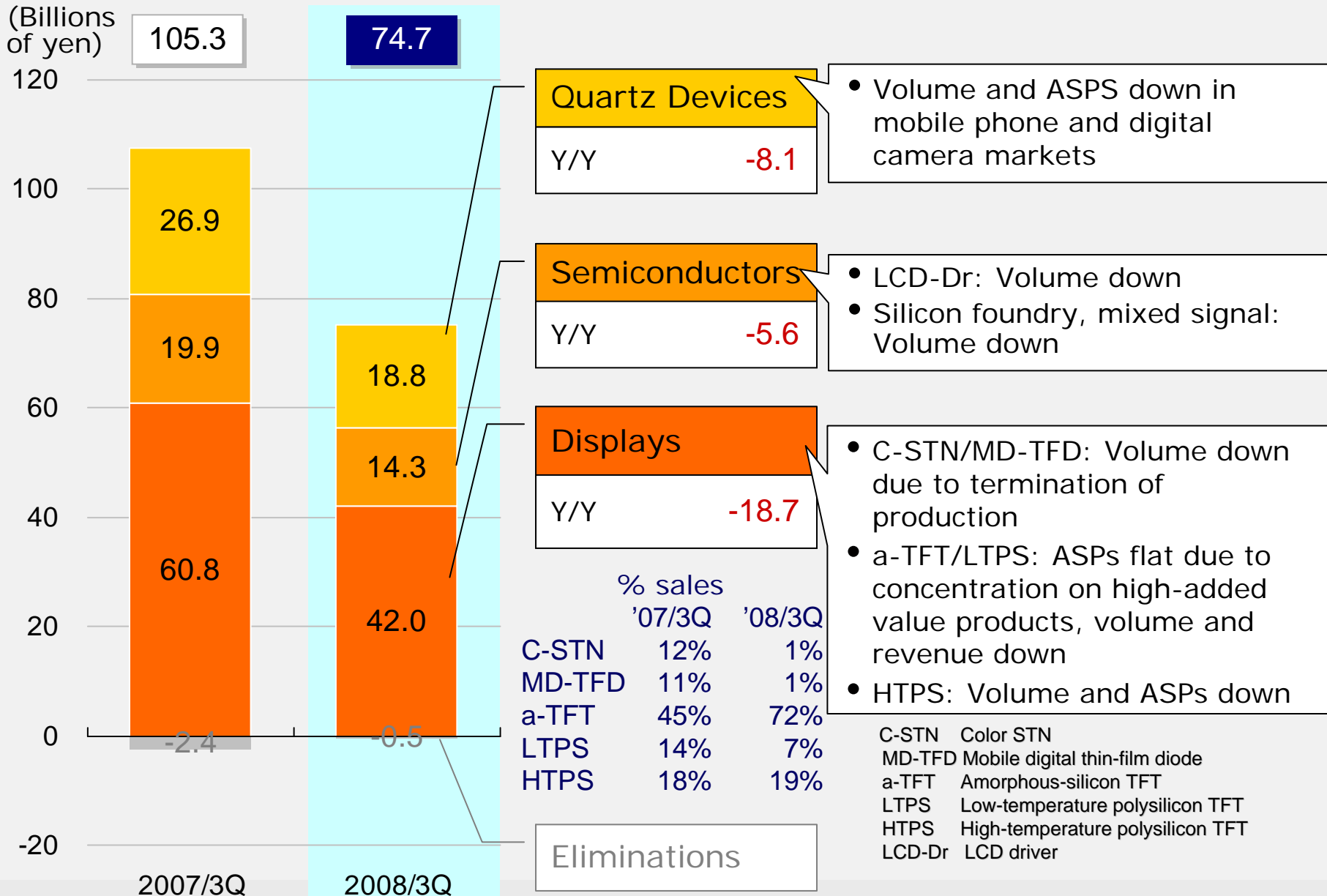
Quarterly Net Sales Comparison

Information-related equipment segment



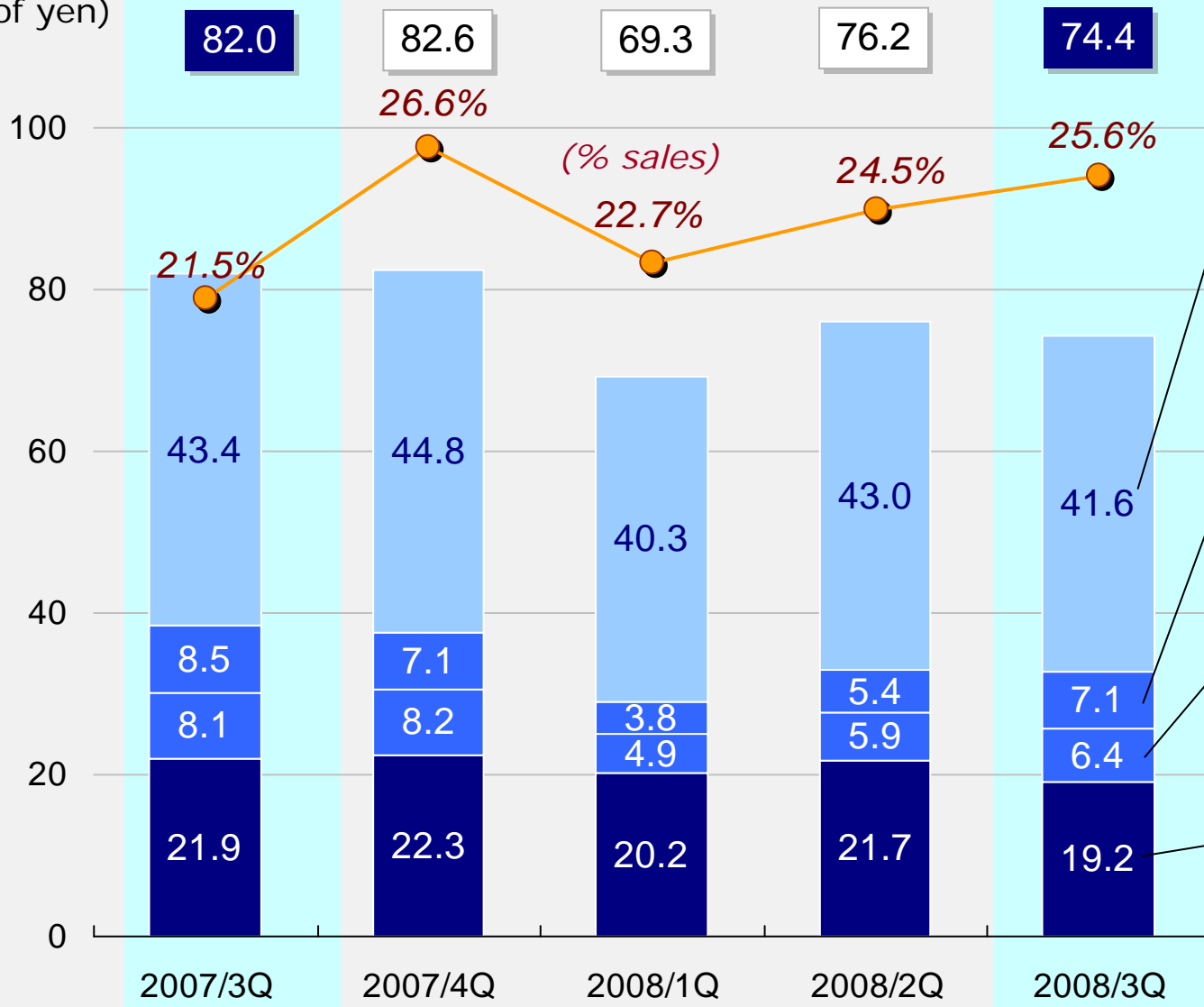
Quarterly Net Sales Comparison

▶ Electronic devices segment



Quarterly Selling, General and Administrative Expenses

(Billions of yen)



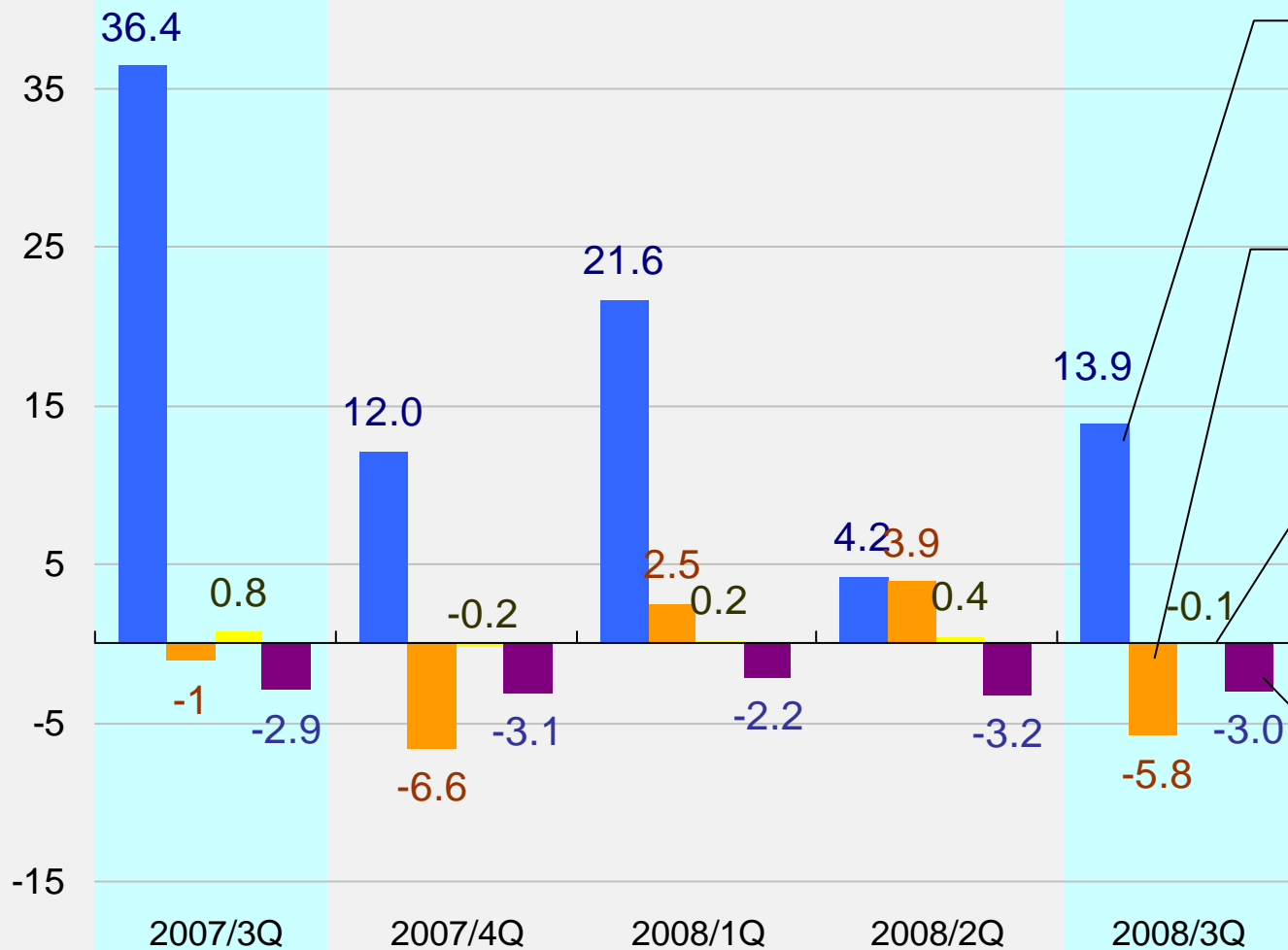
Other	Y/Y	-1.8
Advertising expenses	Y/Y	-1.4
Sales promotion expenses	Y/Y	-1.7
Labor costs	Y/Y	-2.6

Quarterly Operating Income

► By business segment

(Billions of yen)

45



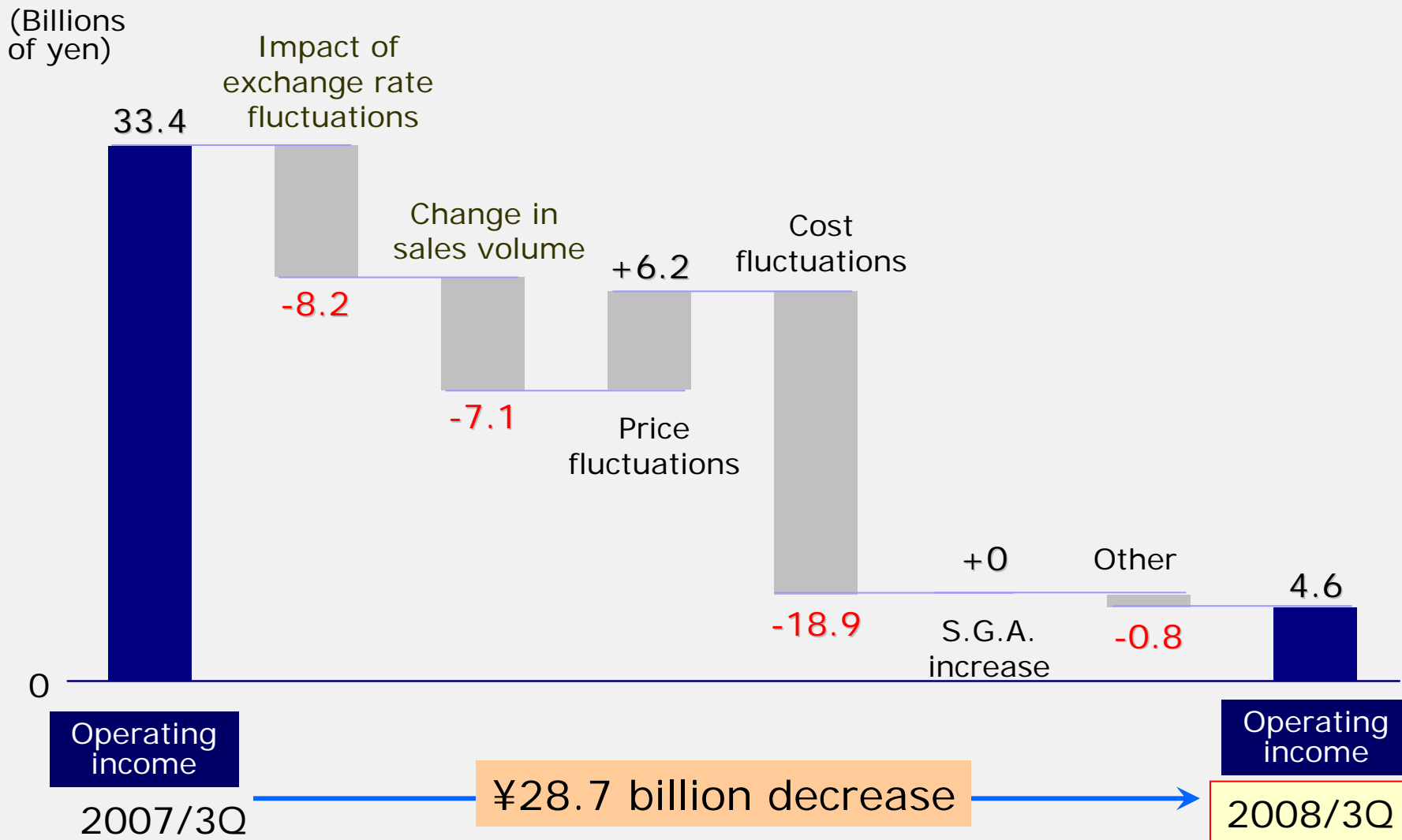
Information Equipment	
Y/Y	-22.4

Electronic Devices	
Y/Y	-4.8

Precision Products	
Y/Y	-1.0

Other	
Y/Y	-0

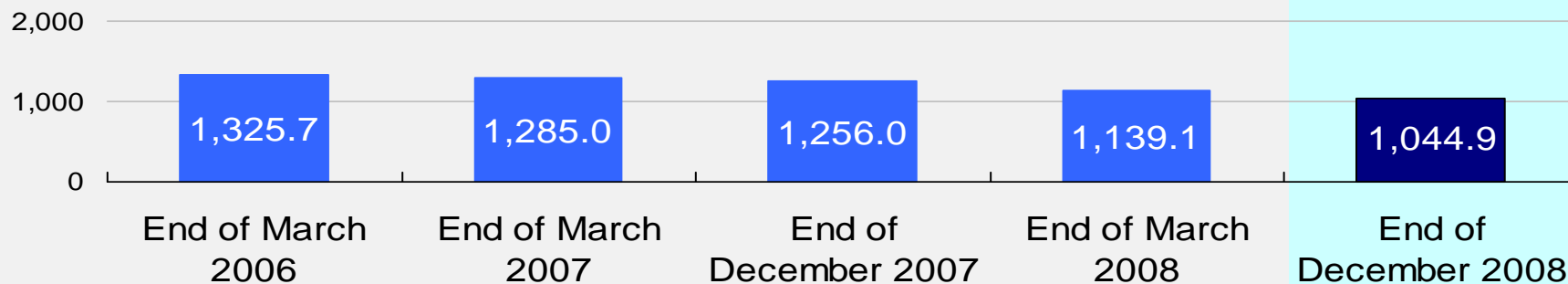
Operating Income Fluctuation Cause Analysis



Statistics of Balance Sheet Items

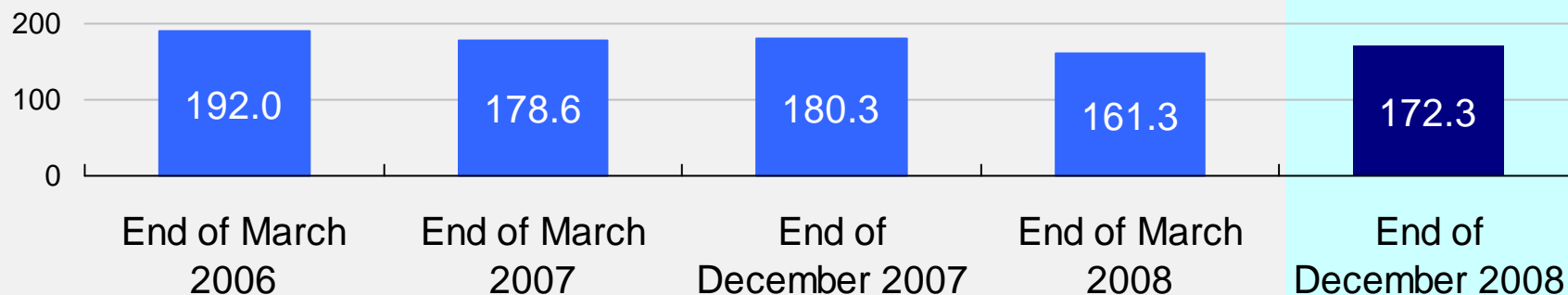
Total assets

(Billions of yen)



Inventories

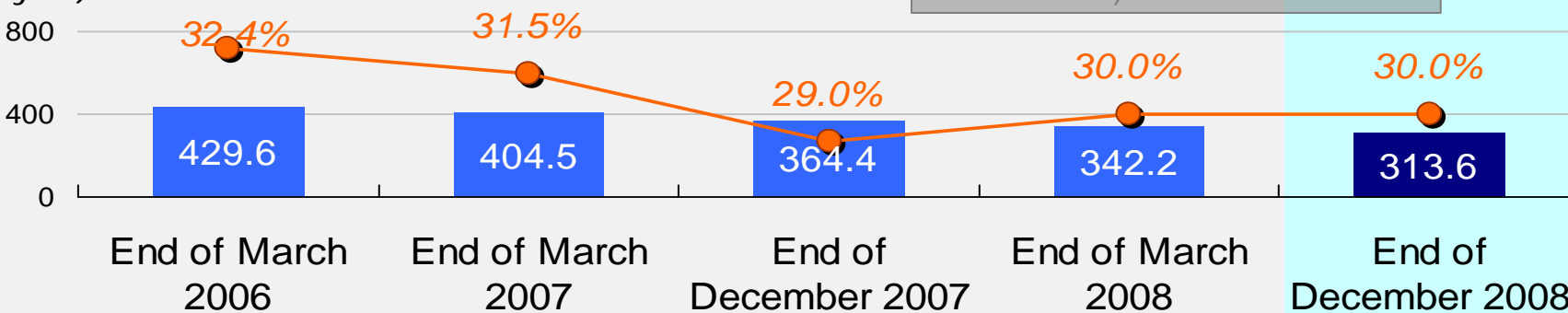
(Billions of yen)



Statistics of Balance Sheet Items

Interest-bearing liabilities & ratio of interest-bearing liabilities

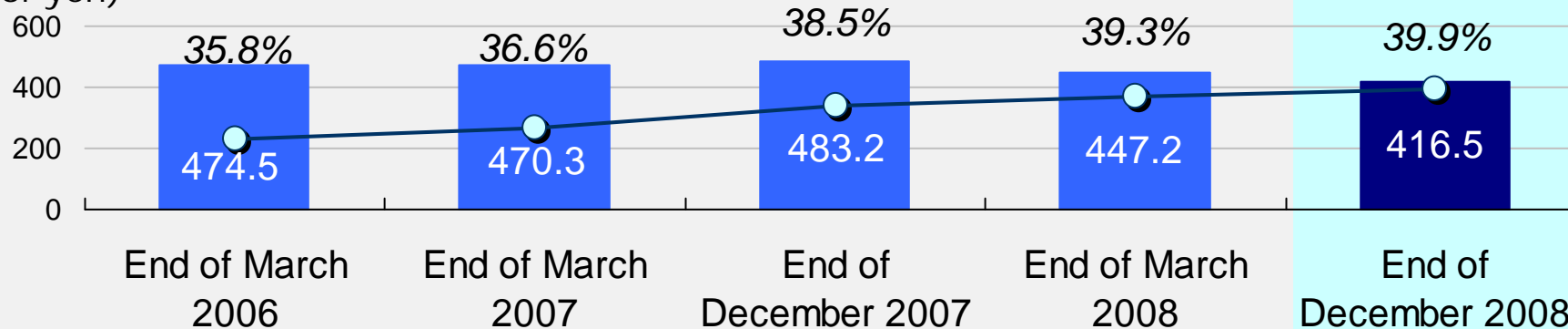
(Billions of yen)



Interest-bearing liabilities declined vs. the end of the previous year due to repayment of loans and other factors.
(Net interest-bearing liabilities: ¥78.2 billion)

Shareholder's equity & equity ratio

(Billions of yen)



* Interest-bearing liabilities include lease obligations from FY2008

* Shareholder equity = total net assets – minority interests in subsidiaries

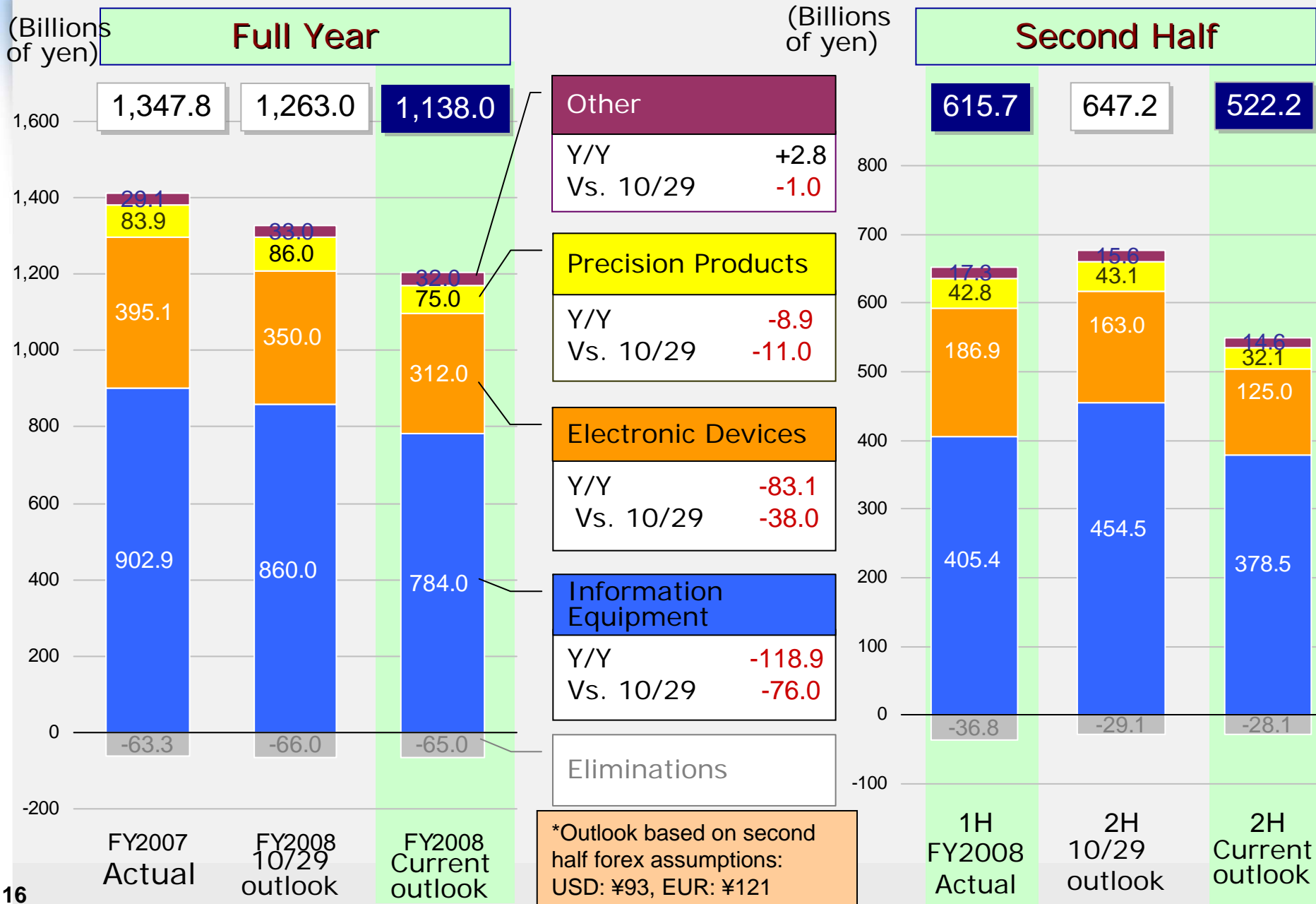
- 1) FY2008 3Q Financial Results
- 2) FY2008 Revised Financial Results Outlook (January 30)

FY2008 Business Outlook

	FY2007		FY2008				Change (amount, %)	
	Actual	%	10/29 Outlook	%	Current outlook (1/30)	%	Y/Y	Vs. 10/29 outlook
(Billions of yen)								
Net sales	1,347.8	-	1,263.0	-	1,138.0	-	-209.8 -15.6%	-125.0 -9.9%
Operating income	57.5	4.3%	45.0	3.6%	6.0	0.5%	-51.5 -89.6%	-39.0 -86.7%
Ordinary income	63.2	4.7%	53.0	4.2%	13.0	1.1%	-50.2 -79.5%	-40.0 -75.5%
Net income <small>Before income taxes</small>	52.0	3.9%	43.0	3.4%	-7.0	-0.6%	-59.0 -	-50.0 -
Net income	19.0	1.4%	27.0	2.1%	-4.0	-0.4%	-23.0 -	-31.0 -
EPS	¥97.24		¥137.50		-¥20.37		Exchange rate assumptions 2H: USD: ¥93 EUR: ¥121 4Q: USD: ¥90 EUR: ¥115	
Exchange rate	USD	¥114.28	¥103.00		¥100.00			
	EUR	¥161.53	¥149.00		¥142.00			

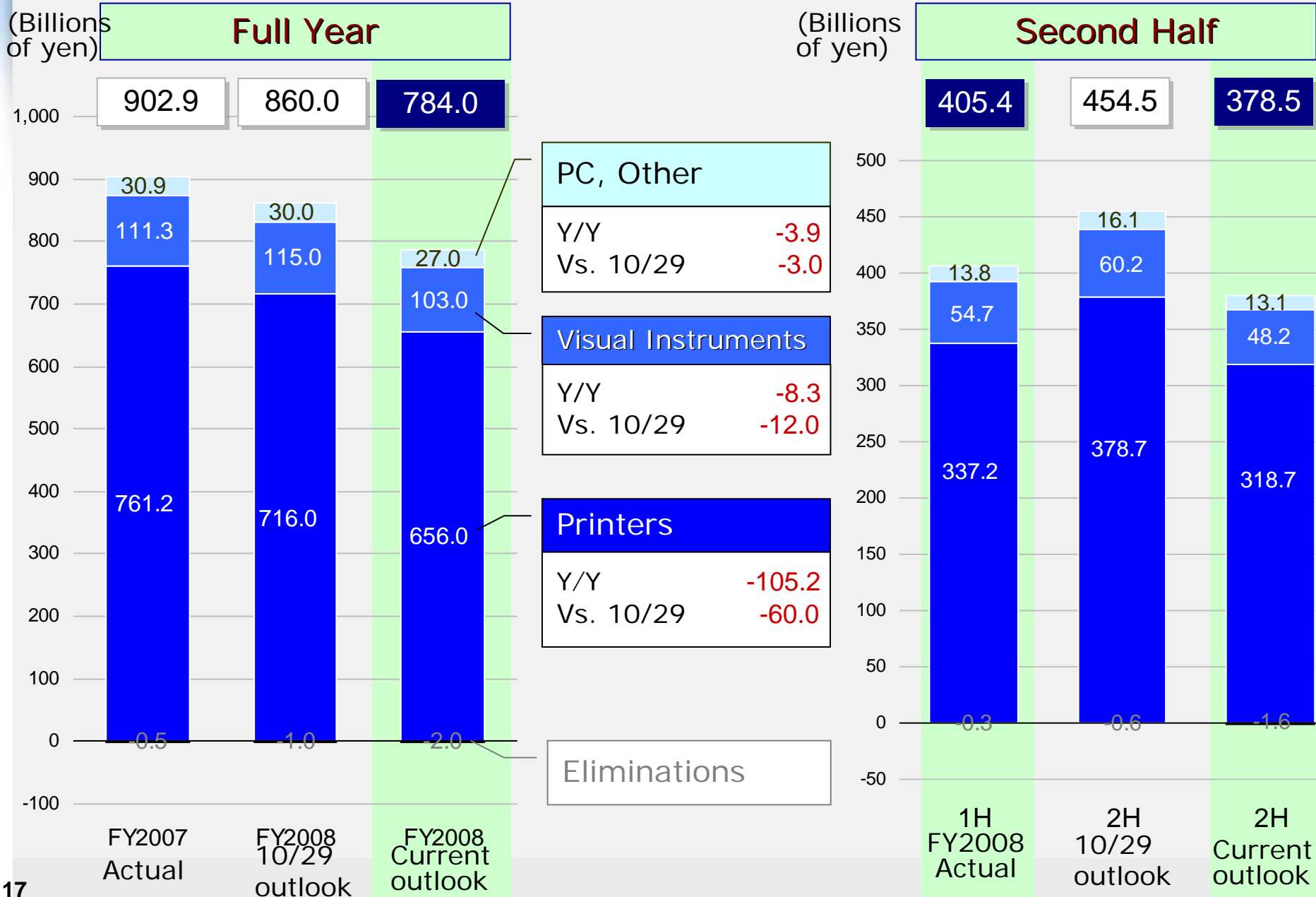
FY2008 Business Outlook (Net Sales)

► By business segment



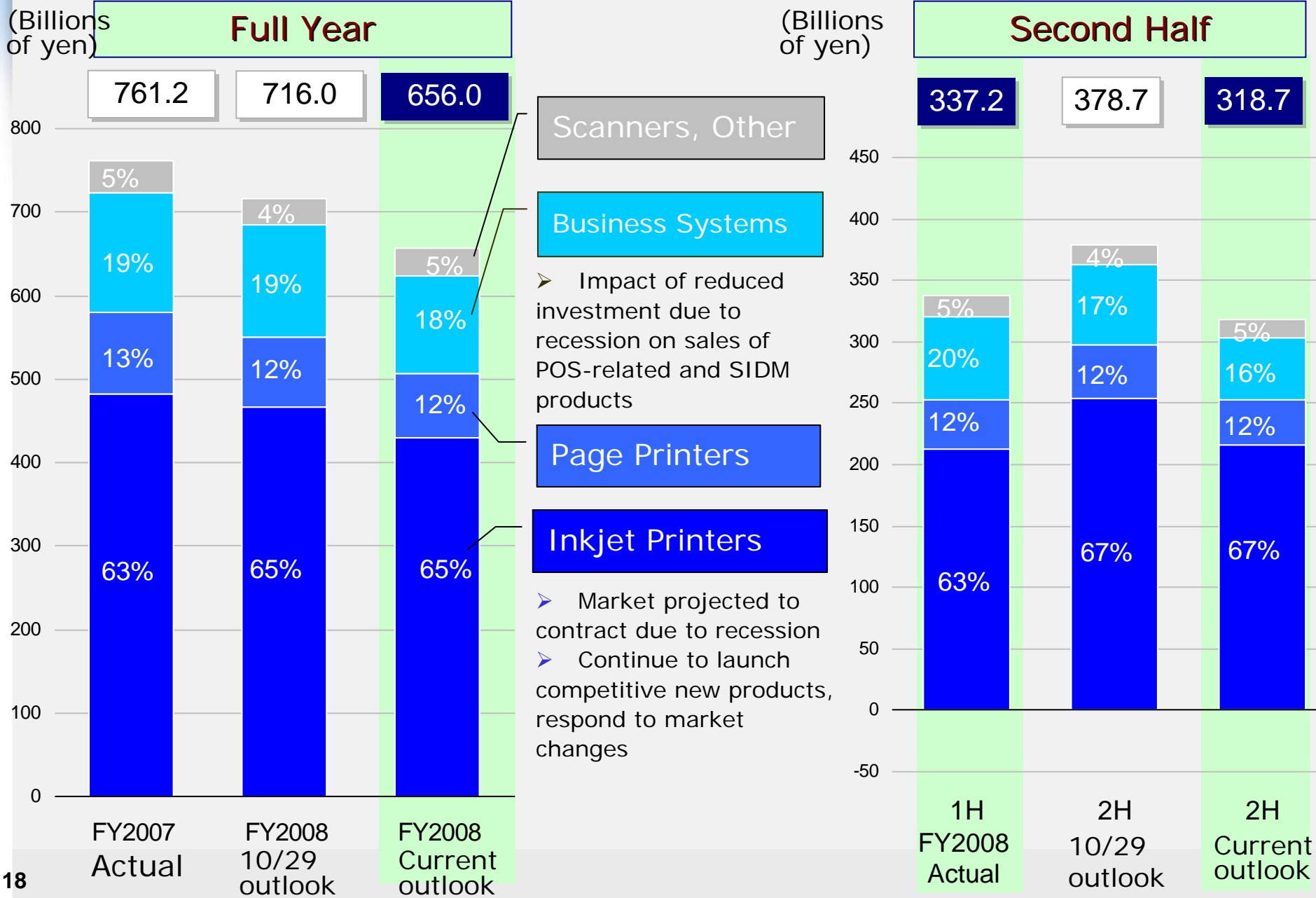
Net Sales Outlook by Business

Information-related equipment segment



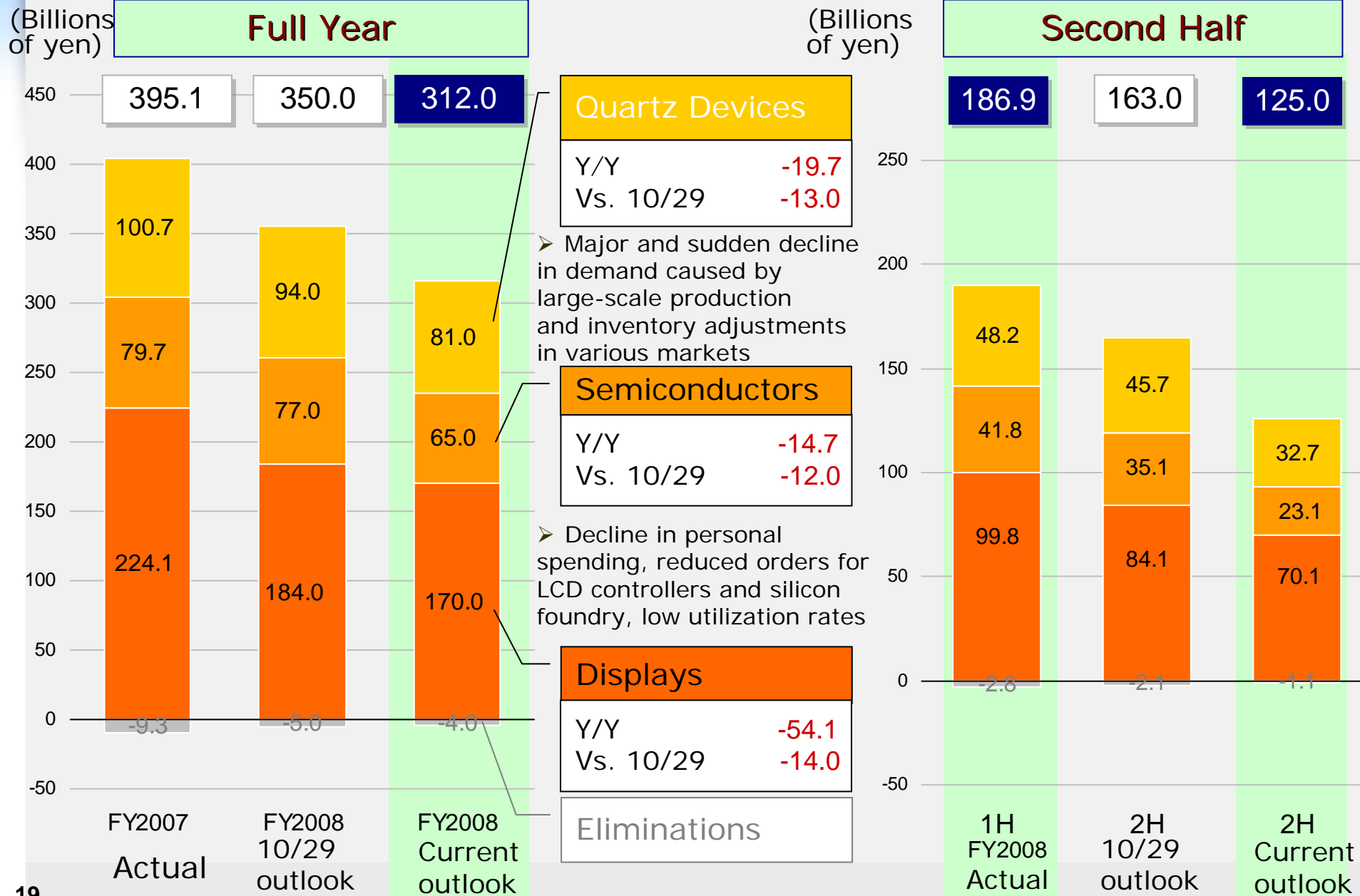
Net Sales Outlook by Business

► Printer business



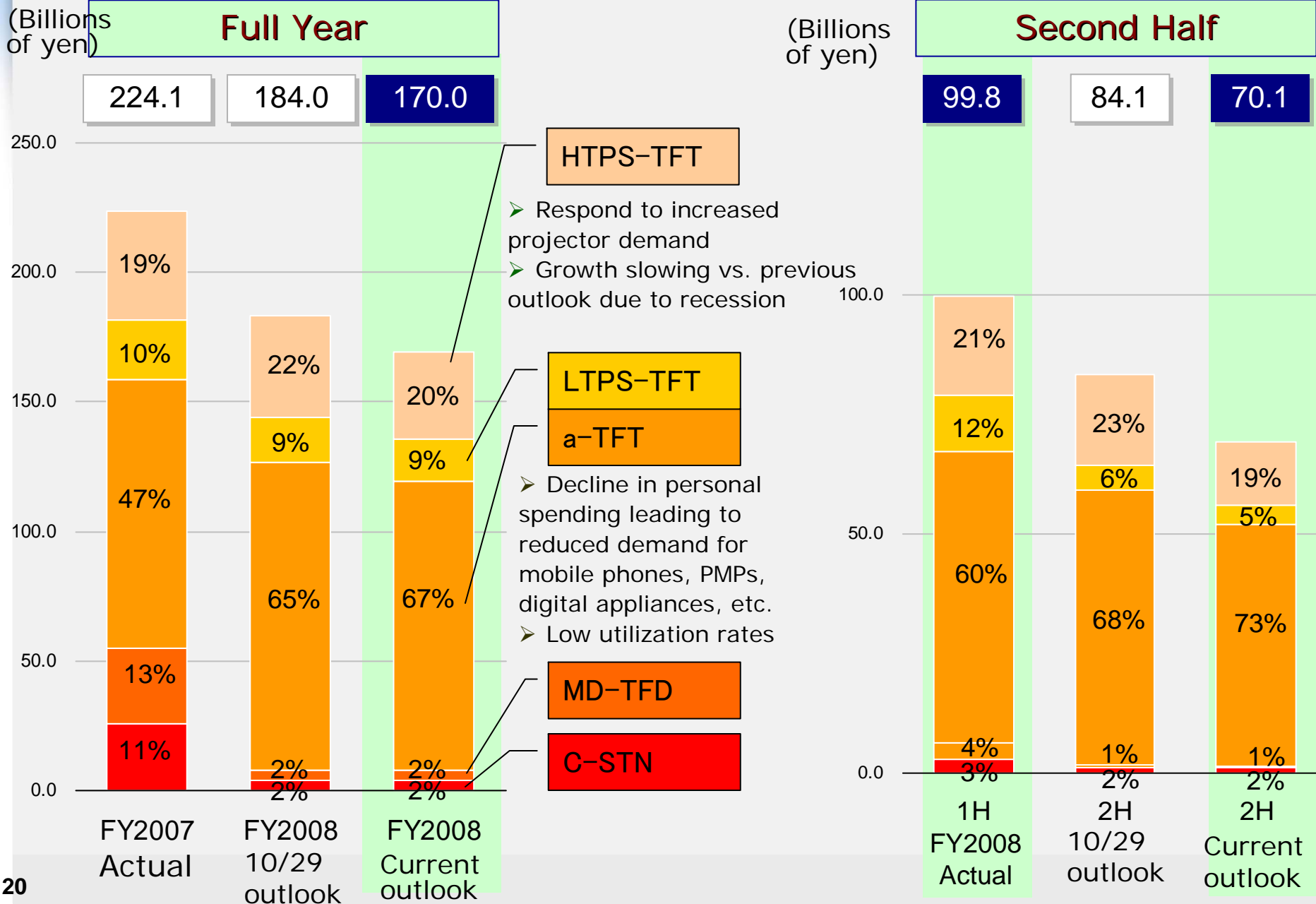
Net Sales Outlook by Business

▶ Electronic devices segment



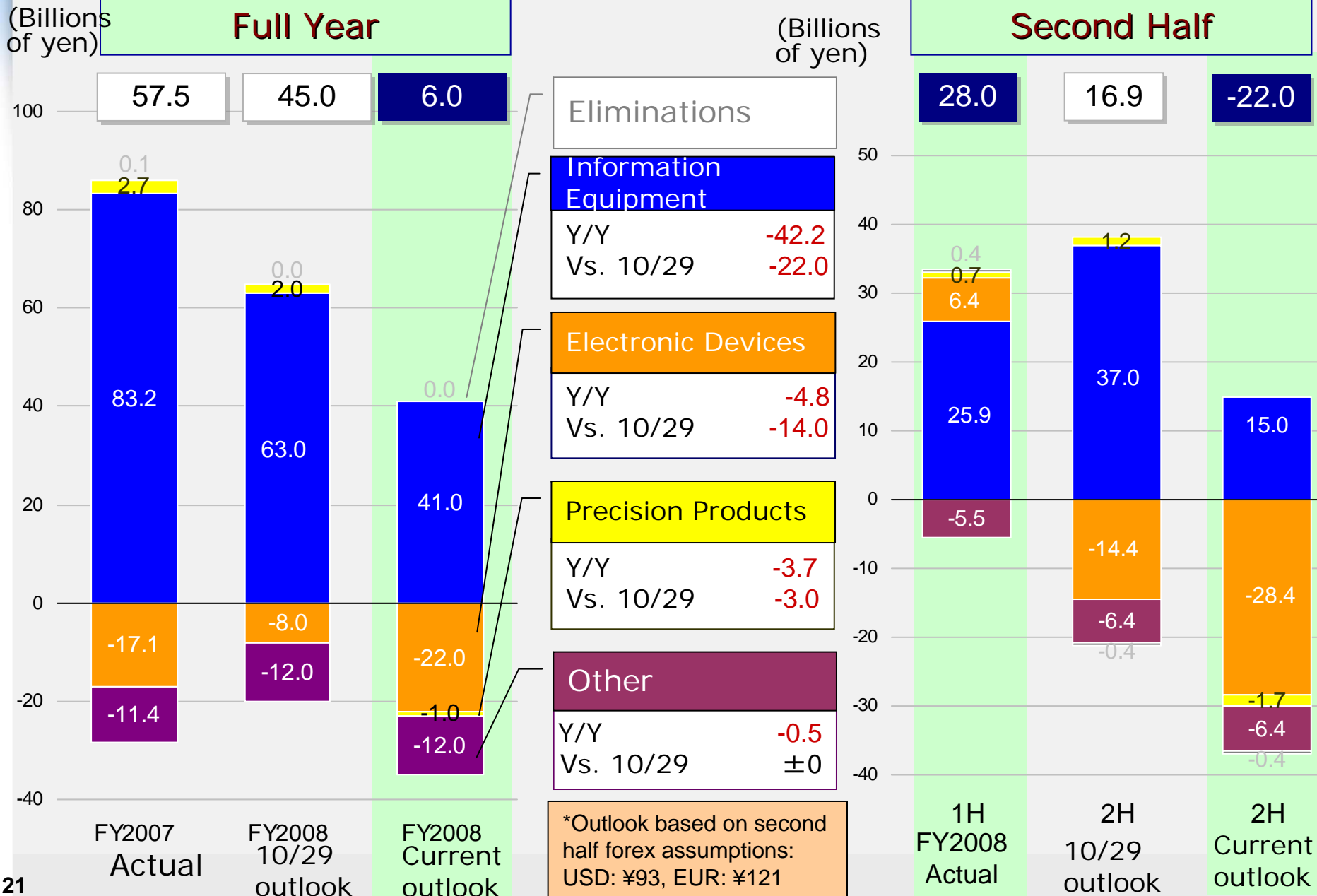
Net Sales Outlook by Business

► Display business



FY2008 Business Outlook (Operating Income)

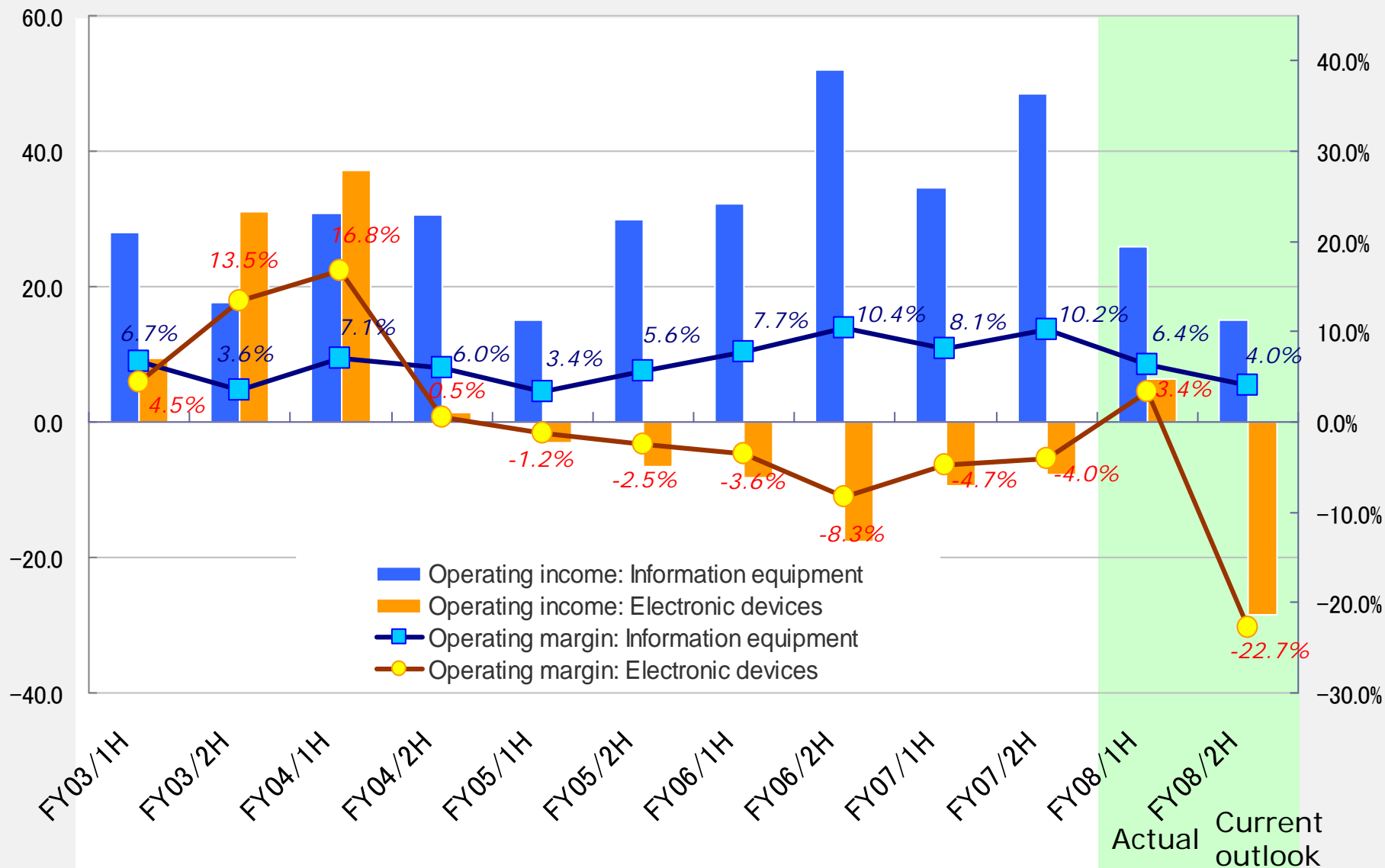
► By business segment



Operating Income Trend

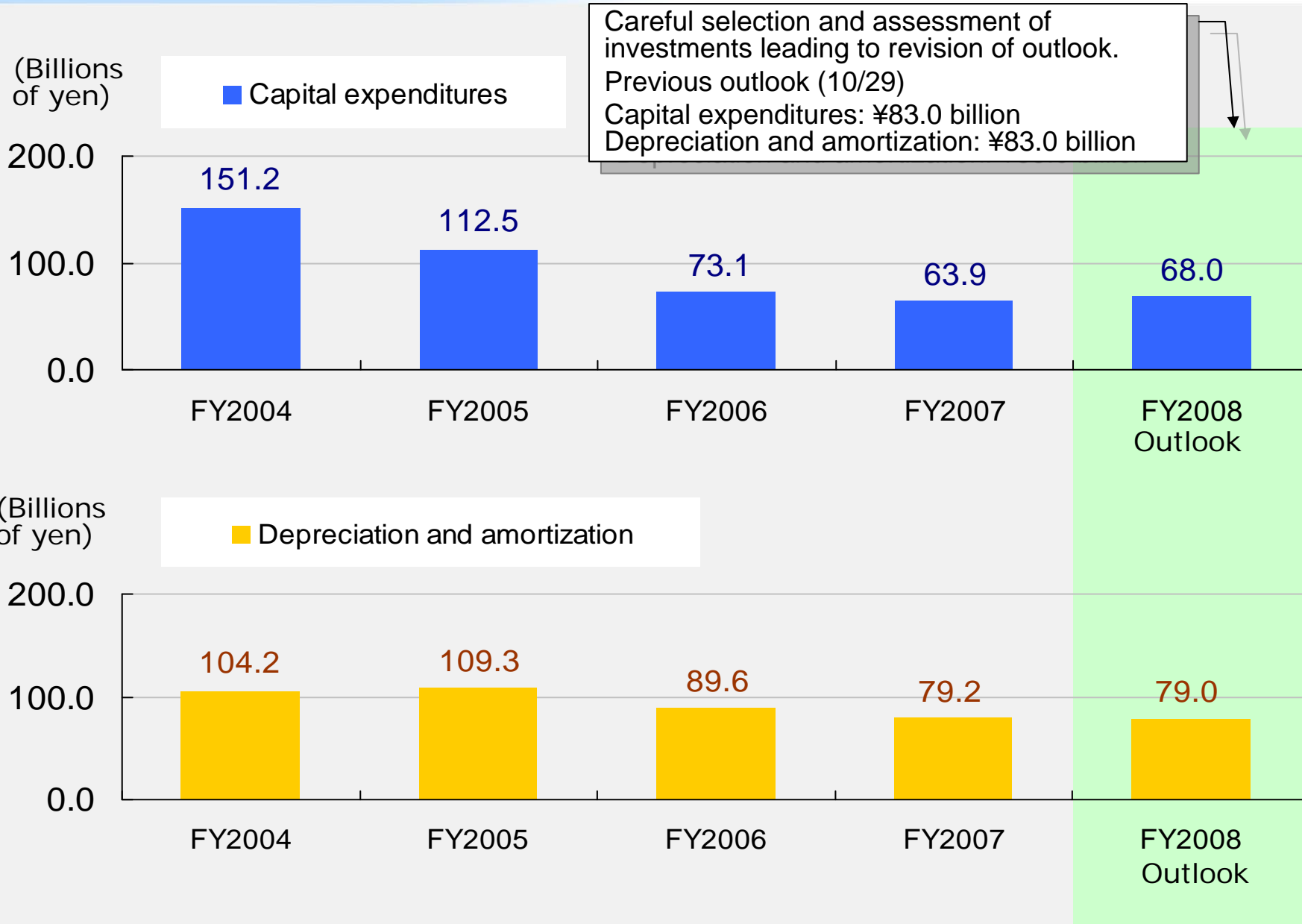
Operating income (billions of yen)

Operating margin

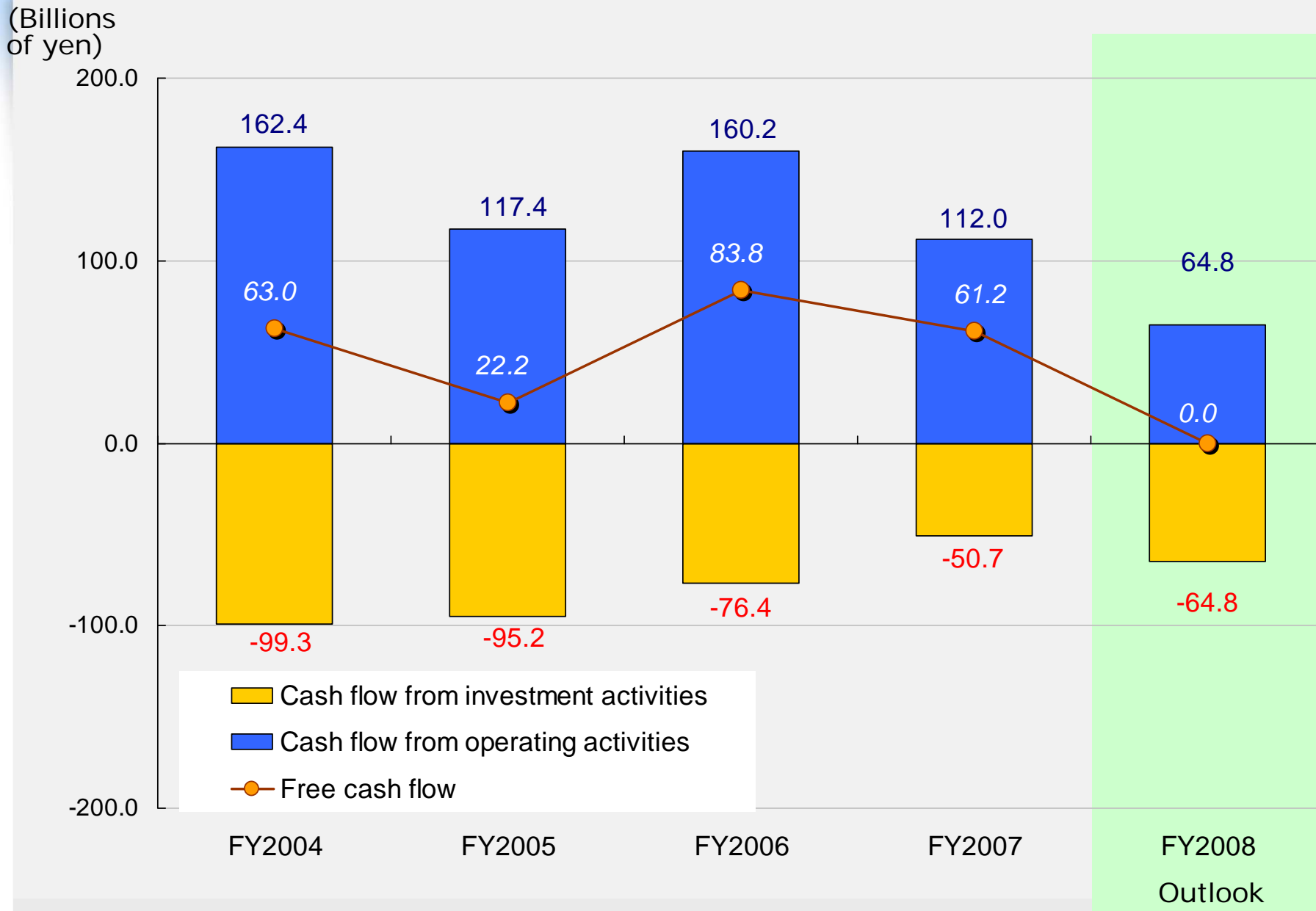


Actual Current outlook

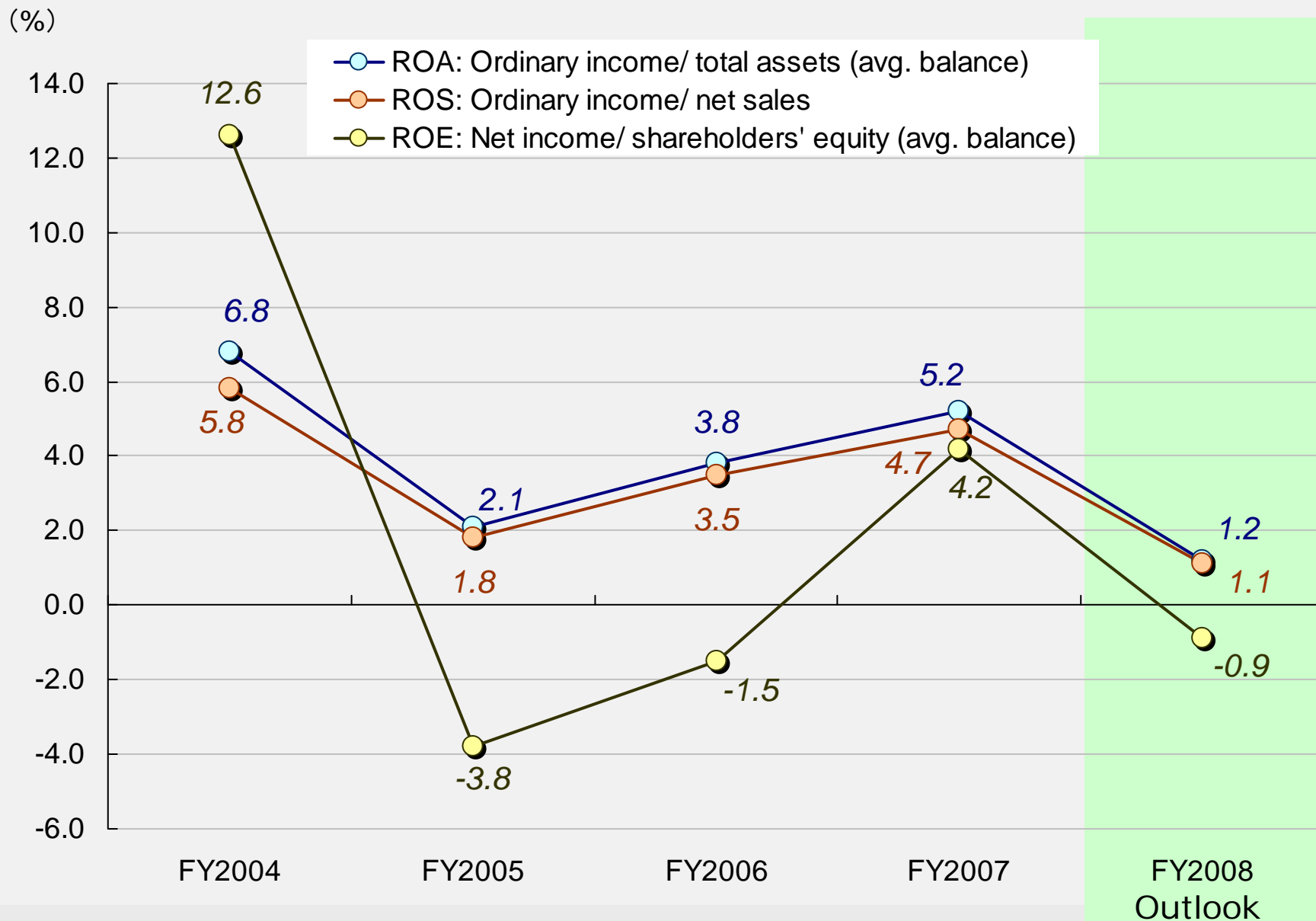
Outlook for Capital Expenditure and Depreciation & Amortization Expenses



Free Cash Flow Outlook



Main Management Indicators



EPSON
EXCEED YOUR VISION